OPINION

BY IJAZ NABI

Elite capture

ELITE capture is a much-used term to describe Pakistan's economic malaise. We have some estimates of the resources captured by the elite and the inequality it spawns. There is, however, little discussion of the mechanisms of elite capture and what to do about them.

A few years back, in a design meeting to bring universal safe drinking water to Punjab, a wise elderly gentleman heading a successful water NGO, argued strongly for pricing the water as opposed to rationing it. His argument was that any regulatory mechanism for rationing water will be captured by the local elite. They will wash their cars in this water while the poor will go unserved, he said.

Elite capture thus is regulatory capture that diverts resources to the elite instead of to their best use for maximising social welfare. Addressing elite capture requires dismantling/ rejigging regulatory frameworks that facilitate this.

The best use of our resources is job creation — productive utilisation of the young workforce eager to improve their lives. Many countries in our neighbourhood have demonstrated that this is best done via exports. Global demand for what a country can produce is much larger than domestic demand and exposure to competition improves productivity.

East Asian elites (and recently Turkish), used the privileged position to open their distressed economies to international competition thereby becoming more efficient. This allowed them to export and enjoy profits in the much larger global market. They became global players, creating a growing number of productive, well-paying jobs in their countries.

Our industrial elite did the reverse by capturing tariffs to shut off competition. As a result, industry is profitable in the local market but has lost efficiency gains that come from competition. This has lowered their ability to export and contribute to productive job creation. In its most recent trade policy, the government has committed itself to deep tariff reform thereby choking off a major avenue of regulatory capture. We need to stay the course, while addressing the high energy cost and high taxes that put our industry at a disadvantage.

A pernicious form of elite capture is over-valuation of the exchange rate. This enables the elite to import cheaply luxury goods for their own consumption and also set up shopping malls to sell them to families benefiting from remittances. Importantly, it facilitates the transfer out of wealth from Pakistan.

The elite make good while creating jobs abroad and stunting job creation in Pakistan. Interference in the market mechanism to over-value the exchange rate thus is a glaring case of regulatory capture that the IMF helped address. We need to be watchful that we don't go astray.

Elite capture also shows up in industrial regulation. A good example is the sugar industry, one of Pakistan's largest. Our sugar industry could have invested in better quality cane to make profits, which would have benefited farmers and created more jobs by scaling up to meet world demand for sugar. Instead, the sugar elite chose the regulatory capture route. Sugar import is curbed when global sugar supply is plenty and price is low, and export of *gur*/ molasses is restricted when international demand and price are high. The regulatory capture thus allows the elite to enjoy profits either at the expense of consumers or farmers. The government is working on deep regulatory reform of sugar to address this source of elite capture. We need to be vigilant that sugar deregulation goes through.

> Fixing elite capture demands regulatory reform.

State-owned enterprises represent another form of elite capture. Rents in this case are skimmed off in the shape of disproportionately large services enjoyed by well-connected citizens or, more importantly, by elite employees. Rent siphoning in PIA, Railways and Discos is well documented. This form of elite capture is best addressed by privatising SOEs with a clear understanding on post-privatisation service standards and coverage.

A highly egregious form of elite capture shows up as high taxation of the productive sectors of the economy (labour income, manufacturing) to protect the elite's chosen sectors. Light taxation of real estate and retail/ wholesale trade is well known. The distortionary tax code makes investment in real estate and wholesale/ retail trade much more attractive than in manufacturing, especially exports that face even higher tax. The elite captured distortionary tax regime is thus designed for poor job creation. The fiscally tight IMF programme is an opportunity to reform the elite captured tax code — and put ourselves on the path to exiting donor dependency. ■

The writer is executive director CDPR, country director IGC and former dean and professor of economics, Lums.

BY MAHIR ALI

Another genocide

THE well-publicised massacres in El-Fasher over the 10 days since the Rapid Support Forces (RSF) captured the city after a nearly year-long siege have revived international interest in the Sudanese conflict, albeit without any obvious efforts to halt the horrendous bloodshed.

Donald Trump has threatened that US forces might enter Nigeria with "guns a-blazing" to tackle "the terrorist thugs" attacking "our CHERISHED Christians". Like far too many other countries on the African continent, Nigeria does indeed experience atrocities perpetrated by the likes of Boko Haram, but it's not just Christians who are terrorised. Besides, as the US president may or (more likely) may not be aware, decades of US military involvement across Africa has failed to substantially tackle the nefarious activities of Al Qaeda affiliates and offshoots.

The focus on a particular religion reflects the narrowness of Trump's mentality — or perhaps his mendacity, given he never expressed any concern about the Christians lives lost, or at risk, in Gaza. And while concerns about Nigeria are all very well, it's far from being Africa's most concerning trouble spot. That qualification belongs to Sudan, which has been embroiled in various forms of strife pretty much since it won independence from British colonialism in 1956. But nothing in its recent past matches the level of violence it has suffered since a popular uprising toppled its military dictator seven years ago.

Omar al-Bashir had been in power since 1989 and, among other crimes, deserves to face justice for the Darfur genocide of 2003, when the state-sponsored Janjaweed militia was unleashed against the region's non-Arab inhabitants. Under the leadership of an exceptionally vicious warlord — Mohamed Hamdan Dagalo, aka Hemedti — it eventually evolved into the RSF, and initially shared power with the Sudanese Armed Forces (SAF) after a military coup in 2021 overthrew the semi-civilian post-Bashir arrangement that was supposedly intended to lead to some form of democracy.

All hell broke loose following a 2023 falling-out between the RSF and SAF, with Khartoum among the targets of the former's wrath. Since then, both sides have violated human rights to varying degrees. Over the years, they have also acquired regional allies that serve as conduits for weaponry and diplomatic support.

The RSF is said to be particularly reliant on the UAE, which has supplied weapons from sources such as the UK and China, as well as mercenaries from Colombia. The relationship stretches back to the years when the RSF sent troops to aid the Saudi-Emirati military assault against Yemen. Abu Dhabi isn't just returning the favour. Its interests include a steady flow of gold from Sudanese mines, as well as access to fertile food-growing terrains and control over Red Sea ports. The first of these is already paying dividends.

The Emiratis are also reportedly acquiring ports and islands off the Yemeni coast in collaboration with Israel to enhance their regional hegemony, as well as using their clients in Libya and Somalia to support their proxies in Sudan. But, to be fair, the SAF enjoys the backing of the UAE's regional rivals such as the Saudis, Qatar, Egypt and Turkiye. China, Russia and even Ukraine would also find it hard to wash their hands clean of the compounding mess in Sudan.

> Sudan's nightmare seems endless.

One can only wonder, yet again, what the so-called international community is worth if it cannot halt genocides. The one launched in Gaza in October 2023 has at least temporarily been stalled, albeit unconvincingly, and even though the primary perpetrator clearly has other intentions. The mass killings in Sudan can only be paused, and perhaps even halted, if the chief sponsors reconsider their patronage. The sheikhs often tend to cave in if the pressure comes from an indispensable ally, although it might take more than a stern word to fully grasp that propping up Haftar or Hemedti is not in their best interests.

No one should be under any illusion, though, that persuading the UAE somehow to retract its vital backing for perhaps the vilest protagonist would serve as a panacea for Sudan. Besides, it's useful to remember that beyond the continent's third largest country, the 21st-century scramble for Africa continues apace, and neither the former colonial or neocolonial powers nor the novice would-be hegemons in the Gulf and beyond intend to relent anytime soon. In Gaza and far beyond, the victims don't count for much. Whether the future can be any different from the present and past remains to be seen. ■

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FROM THE PAST PAGES OF DAWN

1975 | Fifty years ago

Putschists negotiating

NEW DELHI: Discussions were continuing between the putschists and the Government of President Khondkar Mushtaq Ahmed, informed sources said here today [Nov 4]. According to information available here, the telecommunication system, including telephones in Dacca city, remained disrupted. Reports … also indicated that there had been a kind of "unofficial curfew" in Dacca… . The General's decision to remove the young officers from the political scene was believed to have been sparked primarily by a desire to limit the … influence of the eight.

Diplomatic sources said … that the eight officers held responsible for the August coup had been arrested without bloodshed. The Generals probably saw their coup as a … domestic matter. This would explain why Dacca Radio, which resumed broadcasting … did not refer to the situation in its evening news bulletins. Meanwhile, official sources said … India has still no definite information about a change of Government in Bangladesh. … Bangladesh Radio broadcasts could be monitored in Islamabad … but neither their news bulletins nor any other programme said anything about [the] events. — News agencies

1950 | Seventy-five years ago

'Strong League needed'

PESHAWAR: The declaration that a strong Muslim League is as essential today as it was before the partition, a rejoinder to Mr Nehru's recent utterances on Kashmir at Srinagar and a warning to Kabul's ruling clique that Pakistan was strong enough to "deal" with it, were the highlights of an address by the Muslim League Chief, Mr Liaquat Ali Khan, at a … public meeting at Chawk Yadgar here this afternoon [Nov 4].

Referring to Mr Nehru's recent speech at Srinagar, in which he had predicted complete ruin of Jammu and Kashmir if that state acceded to Pakistan, Mr Liaquat Ali Khan said that in fact Kashmir's ruin lay in its amalgamation with Bharat. The Bharat-held areas of the state, he pointed out, were an index to that gloomy future.

About the proposed establishment of the so-called Constituent Assembly for the Bharat-held areas … he said … the world was intelligent enough to see through this farce… . Regarding Mr Nehru's argument that the Maharaja's administration was going ahead with the Constituent Assembly as it could not wait indefinitely for the Kashmir problem to be solved, Mr Liaquat Ali Khan remarked that it was a case of adding insult to injury. — News agencies

LETTERS TO THE EDITOR

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Letters may be edited for purposes of clarity and space. All letters should carry the writer's address, CNIC and phone numbers.

Dengue raising its ugly head again

THIS is with reference to the report 'Rising cases of dengue expose govt inability to tackle disease' (Nov 3). There has, indeed, been a drastic rise in the number of dengue cases across Pakistan in recent weeks. Being a healthcare professional working in intensive care unit (ICU), I have personally encountered a rather alarming stream of patients in serious conditions being brought in by their respective caregivers. This has become an everyday phenomenon that deserves sustained attention of those concerned.

A study has pointed out that by mid-November last year, over 20,000 dengue cases had been registered across Pakistan. This year, we are likely to cross that number by the same cut-off date because the cases have been increasing since the rather heavy monsoon season that we had a couple of months ago. As many as 30 lives have already been lost in Hyderabad and Karachi alone this year so far.

More than the weather, it is the accumulated water on the streets and in localities that acts as a perfect breeding ground for the mosquitoes. This is something that can be, and should be, easily handled by municipal authorities. Besides, as the report pointed out, fumigation drives on a consistent basis are urgently needed in cities and towns.

On their part, the people should take preventive measures. The World Health Organisation (WHO) recommends the covering of stored water, using long-sleeved clothes, using bed nets, installing insect screens on doors and windows, and avoiding stagnant water around homes and spaces. The symptoms of high-grade fever and body pain should not be ignored or taken lightly in these critical times.

Beyond prevention, patient recovery and management also require due attention. A dengue episode often begins with prolonged fatigue and joint pain. Once the patient has been stabilised under medical care, many have to visit physiotherapists for being able to fight off the aftereffects of dengue. The professionals help the patients in regaining strength to ensure early mobility.

What the relevant authorities need to do is actually quite simple; take care of innumerable pools of stagnant water by mobilising municipal resources. This should be done as a matter of routine, especially around the monsoon season.

Nida Rizvi
Karachi

Undeserved fun

THE Pakistan International Airlines (PIA) recently resumed its flight operations to Manchester after a gap of five years. While it is a good news, the bad news is that a delegation of more than a dozen senior executives of the national airline embarked the first flight to 'celebrate' the resumption.

This was surely no occasion for the PIA management to celebrate. It is time to reflect on its shortcomings and maintenance lapses that had resulted in the suspension after failure to meet flight safety standards of the United Kingdom and other European destinations. PIA is facing losses worth billions of rupees, and is afloat only because of state subsidies.

In reality, the airline needs a professional management that is well-versed in commercial aviation. Successive governments, including the incumbent, are responsible for appointing cronies and reducing the airline to an organisation meant to serve the interests of the elite.

Malik Tariq Ali
Lahore

Maternity rights

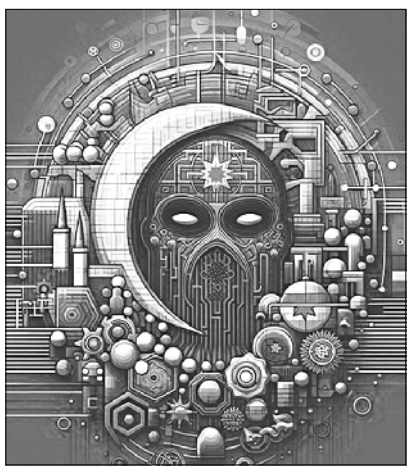
THE Federal Ombudsperson has recently set aside the dismissal from service of a female employee who had been on a duly sanctioned maternity leave. In addition to the reinstatement of the employee, the ombudsperson also imposed a fine of Rs1 million on the Islamabad-based company. Of the total fine, Rs800,000 will be paid to the said employee. The landmark verdict reaffirms that maternity protection is a fundamental, non-negotiable right, setting a strong precedent for women's workplace equality and dignity across Pakistan.

The case cited above fell under the federal law, which happens to be the West Pakistan Maternity Benefit Ordinance, 1958. Clause (1)(a) of Section 7 of the said ordinance states: "When a woman absents herself from work in accordance with the provisions of this Ordinance, it shall not be lawful for her employer to give her notice of dismissal during such absence …"

Besides, Section 9 prescribes the penalty for acts in contravention of the ordinance. The amount of fine (Rs500) was surely appropriate when the ordinance was promulgated 67 years ago. It surely needs revision by the federal government.

Parvez Rahim
Karachi

Beyond symbolism



THE recent formation of the National Paigham-i-Aman Committee (NPAC) by the Ministry of Information marks yet another determined effort by the government to combat the persistent challenges of extremism, terrorism, sectarianism and hate speech in the country.

Pakistan's history is replete with such initiatives. Over the years, various committees, national action plans, and counter-extremism policies have been announced with fanfare, only to eventually fade into bureaucratic inertia. These efforts largely failed to move beyond policy papers and press conferences. They were undermined by weak enforcement, lack of political continuity, and the absence of institutional accountability. The concern, therefore, is that the NPAC may also be reduced to a symbolic gesture unless it is backed by a sincere, sustained and results-driven strategy.

There are much deeper structural and operational issues that must be addressed if the NPAC is to go beyond its predecessors. Foremost among these is the chronic gap between policy and implementation. A cohesive national narrative is vital, but unless it is actively translated into educational reforms, legal frameworks, policing practices, media guidelines and judicial proceedings, it will remain nothing more than a document.

Another issue is the absence of clear mechanisms for monitoring and evaluation. Besides, such initiatives are susceptible to political and sectarian influences, which can further dilute their effectiveness and compromise their neutrality.

If Pakistan is to finally make meaningful progress in its struggle against extremism and terrorism, the country must look beyond committees and draft statements. The country needs deep institutional reforms that empower law-enforcement and intelligence agencies to focus on national security rather than political vendettas.

The police and judiciary must be strengthened and depoliticised to ensure impartial and timely enforcement of anti-terror laws. In the digital realm, the National Cyber Crime Investigation Agency (NCCIA) should be further equipped to monitor and dismantle networks of online radicalisation.

Efforts to combat extremism must also be grounded in the communities most affected by it. A grassroots approach can foster trust and cooperation.

De-radicalisation and rehabilitation programmes should be expanded to reintegrate vulnerable youth rather than driving them further into the margins. Above all, the success of NPAC depends on political will. There must be a genuine commitment from all levels of government, civil institutions, and religious leadership to confront extremism not only as a security threat, but as a moral and societal crisis. Transparency, inclusivity, and accountability must be the guiding principles.

Sajid Ali Bangash
Hangu

Forward and upward

THIS is with reference to the letter 'Shared strength' (Sep 8). Inclusivity is not just a slogan, but a foundation of progress. However, what often holds us back is that inclusivity remains more of an idea than a practice in our schools, workplaces and public spaces. While we speak of diversity, the systems around us are slow to adapt. For instance, classrooms still do not accommodate children with disabilities, workplaces continue to filter candidates based on gender or social background, and the media often reinforces stereotypes rather than breaking them. Inclusivity cannot remain a principle on paper; it must translate into everyday structures and behaviours.

True inclusivity demands policies that are enforceable and measurable. Schools must make sure they provide equitable access to quality education, companies should adopt transparent hiring, and the media must reinforce marginalised voices.

Only then will diversity move from theory to being a reality. When differences are silenced, society stops moving forward. If we want renewal instead of repetition, inclusivity has to become a daily practice that must be embedded in the way we tend to teach, hire, legislate and interact.

Zoha Indhar
Lahore

▶ **A FUTILE EXERCISE:** A public notice seeking objections and suggestions from people in response to the amendments made by the Sindh Mass Transit Authority was published recently (Oct 28), highlighting the salient features of the new scheme related to the allocation of Personalised Registration Mark (PRM) and Vehicle Identification Number (VIN). In the entire notice, it was not mentioned what benefits will be achieved by the department or the vehicle-owner with the PRM/VIN. Like new number plates, it appears to be a futile exercise. The authorities concerned should focus on making traffic signals functional and providing smooth roads to the public.
K.T.H.
Karachi

▶ **DENGUE ON THE RISE:** Dengue is spreading like wildfire and has claimed about 30 lives across Sindh. Unfortunately, the province suffers from poorly administered institutions, especially hospitals. Government facilities lack even basic screening kits and tools. I have visited multiple public health facilities for simple tests, and have always found that public-sector hospitals do not have the required medical equipment and machinery. The Sindh government remains unaware of the alarming situation, and has failed to address the needs of the hospitals. The mosquito that spreads dengue can be controlled through proper fumigation in neighbourhoods. The authorities need to wake up before more lives are lost.
Imtiaz Essa Halepoto
Jamshoro

▶ **STRESS MANAGEMENT:** Life that looks mesmerising from the outer periphery may not be as relaxed as it seems. And that is true. Nowadays, people tend to lose their life way earlier due to stress or depression. As such, workload pressure, workplace environment, stingy bosses with zero-error syndrome, unethical bashing, and career-oriented promotion yardsticks are some of the leading causes of stress in young lives. In such a grim scenario, there is a dire need to take stress management and depression seriously, and opt for remedial measures.
Muhammad Aized
Gujranwala

External Ombudsman

Veteran journalist Muhammad Ali Siddiqi is *Dawn's* External Ombudsman (DEO). His duty is to attend to our readers' complaints, and to respond to them professionally. DEO is the investigating authority to whom all complaints can be referred, and it is DEO who takes notice of any alleged violations of *Dawn's* code of ethics, and informs the Editor for appropriate action.
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